

## THE VIRGINIA BOARD OF ACCOUNTANCY

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The Virginia Board of Accountancy (VBOA) met on Tuesday, August 11, 2009 in Board Room 1 of the Perimeter Center, 9960 Mayland Drive, Richmond, Virginia 23233.

**MEMBERS PRESENT:** O. Whitfield Broome, Ph.D., CPA, Chairman  
Tyrone E. Dickerson, CPA, Vice Chairman  
Dian T. Calderone, MTX, CPA, Immediate Past Chairman  
Lawrence D. Samuel, CPA  
Stephen D. Holton, CPA  
William E. Hunt, CPA

**MEMBERS ABSENT:** None

**STAFF PRESENT:** Wade A. Jewell, Executive Director  
Dreana L. Gilliam, Board Administrator

**PRESENT FOR A  
PORTION OF  
THE MEETING:**

Regina P. Brayboy, MPA  
Jean Grant, Enforcement Manager  
James Hopper, Senior Assistant Attorney General

**OTHERS PRESENT:**

Stephanie Peters, CAE, CEO, Virginia Society of Certified Public Accountants  
Monique Valentine, CPA  
Maureen Dingus, Executive Vice President, Virginia Society of Certified Public Accountants  
James Walker, CPA, Board Chairman, Virginia Society of Certified Public Accountants

**CALL TO ORDER**

Chairman Broome called the meeting to order at 10:03 a.m.

**SECURITY BRIEFING**

After the declaration of a quorum, Ms. Gilliam provided the emergency evacuation procedures.

**APPROVAL OF AGENDA**

Upon a motion by Mr. Samuel and duly seconded, the members voted unanimously to approve the August 11, 2009 agenda with amendments.

## **APPROVAL OF MEETING MINUTES**

Upon a motion by Mr. Holton and duly seconded, the members voted unanimously to approve the July 1, 2009 meeting minutes.

## **ACTION ITEMS**

Mr. Jewell provided a summary of the pending and closed action items. Mr. Holton requested that the listing be updated to reflect Cease & Desist Orders versus Consent Orders.

## **PUBLIC COMMENT**

Members of the public were in attendance but no public comment was given at this time.

## **BOARD MEMBER/COMMITTEE UPDATES**

Mr. Holton led the discussion regarding the comprehensive review of the VBOA regulations. He continues to work on the proposed regulations in preparation for submission to the Department of Planning and Budget (DPB). Mr. Holton previously met with members of the Virginia Society of Certified Public Accountants (VSCPA) to review the Continuing Professional Education (CPE) portion of the VBOA regulations. Following the comprehensive review and discussion, the VSCPA has expressed acceptance of the proposed CPE regulations and items included in the proposed fast track regulatory process. Mr. Holton will continue his review and update of the regulations. As the reviews are completed, the VSCPA will have an opportunity to review and comment. The goal is to complete the review by September 15, 2009 for submission to DPB.

VBOA will revisit the proposed fee increase at the September 11, 2009 meeting.

Mr. Hunt led the discussion regarding the 2010 Mandatory Ethics CPE Outline. Mr. Hunt advised that compilation of the 2010 Ethics CPE Outline is scheduled to begin soon. He requested input from the members regarding format and content of the outline. Dr. Broome provided a historical overview of the ethics outline and its purpose. Following the discussion, members agreed that the current outline would be very similar to years past. Mr. Hunt will provide a draft of the 2010 outline at the September 11, 2009 board meeting. Members agreed to continue discussion of the ethics outline and future content revisions at a future board meeting.

Mr. Hunt also led the discussion regarding peer review monitoring. He will continue to review VBOA processes to ensure the agency is protecting the public. Research has revealed that a number of states rely on task forces to monitor firm peer review compliance. Mr. Hunt is currently in the process of contacting states that utilize this function to gain insight. Goals for a VBOA Task Force are as follows: (1) work with the VSCPA and report at least annually to the full board, (2) implementation of a system that ensures reviewers are obtaining the proper CPE and are qualified to perform the reviews they indicate experience performing. Mr. Hunt requested that the VBOA website be updated to require firm license holders to attest to the fact that they have met the peer review requirements at renewal. He plans to attend the AICPA Annual Oversight Review Meeting in October 2009.

Mr. Jewell provided a summary of the discussion topics from the AICPA peer review meeting he attended via teleconference.

Mr. Hunt requested that VBOA consider approaching the larger CPA firms to provide peer reviewers. A joint effort with the VSCPA could engage experienced firms to increase the number of reviews they currently perform. He will work with the VSCPA to communicate the development of new strategies.

Dr. Broome requested a volunteer to speak at the Office of Inspector General's September 14, 2009 meeting. A request was made for a representative from the VBOA to present the requirements for becoming a Virginia CPA. Mr. Samuel will contact the professional organization and represent the board.

Ms. Calderone provided a summary of the meeting discussion topics from the IRS Public Forum on potential Tax Preparer regulation legislation, and the NASBA Enforcement Practices Committee meetings. Following discussion, Mr. Jewell offered to send NASBA an email requesting their participation on the IRS Tax Preparer issue and correspondence with the IRS on behalf of state boards.

Ms. Calderone also led the discussion regarding VBOA communications. A review of the VBOA website is in progress, to include comparisons with other state board websites. Ms. Calderone would like to create a task force to review and submit suggestions regarding improvements to website.

Mr. Samuel led the discussion regarding VBOA Frequently Asked Questions (FAQs). He has received a lot of information as well as reviewed a number of Board of Accountancy websites. The next step will be a meeting with Mr. Jewell for review of the current compilation of FAQs and implementing it into a working document.

Ms. Brayboy led the discussion regarding the Performance Management for Executive Director (ED) review. The system is designed to meet the development and assessment needs of the organization and the ED. The board supports the proposed format. Ms. Brayboy will work with Mr. Jewell to develop specific goals for the current fiscal year for presentation to the Board at the September board meeting.

## **RECESS FOR BOARD LUNCH**

## **RECONVENE**

## **EXECUTIVE DIRECTOR REPORT**

Mr. Jewell presented general updates regarding VBOA. He attended training for new boards of accountancy executives and staff held by NASBA. He reported that training was very informative. The NASBA Accountancy Licensing Database (ALD) is up and running. The purpose of the ALD is to allow participating state boards to obtain/provide information regarding licensees of other states. There is no cost to the program, other than any initial file transfer development costs. Mr. Jewell will work with the Office of the Attorney General to determine if there are any legal issues in Virginia with participation and will report back to the board with a recommendation.

He requested input from the members regarding use of the board login on the VBOA website. Following a discussion it was determined that the members reference materials will be uploaded for their use, as well as updated Flash and Financial Reports. Member user login and passwords will be re-forwarded to the board members once the site is fully functional.

Mr. Jewell advised the members that effective July 1, 2009, per diems were eliminated. Modifications to the July 1, 2009 board meeting travel expense vouchers were made following submission for payment.

He also advised the members that he was featured in the VSCPA's July/August 2009 edition of Disclosure.

Mr. Jewell advised the members that regulants could only access the agency eGov function if utilizing Internet Explorer. A request has been sent to Systems Automation to update the software to accept other browsers. In the interim, VBOA staff has been advised to waive the five-dollar non-interactive fees of regulants with other browsers.

Mr. Jewell notified the members that the Licensing/Examinations Manager continues to work half days. In addition, the temporary contract employee has resigned.

He advised the members that the Business Plan (Phase I) update discussion with his recommendations would take place at the September 11, 2009 meeting. He presented the Financial Report ending June 30, 2009. As of August 11, 2009, July had not been closed which prevented presentation of the July numbers. In addition, he provided a summary of the Flash Report. Further, Mr. Jewell presented a budget update, which included a revision of the proposed FY10 budget submitted previously. Upon a motion by Mr. Holton and duly seconded, the members voted unanimously to approve the revised FY10 budget.

Mr. Jewell also led the discussion of the agency Performance Measures for FY10-12. He presented the current measures in addition to recommended changes. He will revise and resubmit the current recommended changes to the Board prior to the September 1, 2009 DPB deadline for submission. Board approval will be requested at the September 11, 2009 board meeting.

## **ENFORCEMENT REPORT**

Ms. Grant provided an overview of the cases; the members reviewed the board consent orders with their findings of fact, conclusions of law and actions.

Due to their involvement with this case, Mr. Dickerson and Mr. Holton were not present and did not participate in the discussion or vote.

### **Consent Orders:**

**File Number UC05-2009 (Gray) (*Dickerson & Holton*)**

**File Number DC03-2009 (Taylor) (*Dickerson & Holton*)**

## **BEGIN CLOSED MEETING**

Upon a motion by Ms. Calderone, and duly seconded, the members approved by unanimous vote that the meeting be recessed and the VBOA immediately reconvene in closed meeting to discuss and consider a disciplinary matter lawfully exempted from open meeting requirements within the jurisdiction of the VBOA as permitted by § 2.2-3711.A.27 of the *Code of Virginia*. The following non-members were in attendance to reasonably aid the consideration of the topic: James Hopper, Senior Assistant Attorney General, Jean Grant, Enforcement Manager, and Wade A. Jewell, Executive Director. The members voting “**AYE**” were Mr. Samuel, Mr. Hunt, Dr. Broome, Ms. Brayboy, and Ms. Calderone.

## **END CLOSED MEETING**

Upon a motion by Ms. Calderone, and duly seconded, the VBOA approved by unanimous vote that the closed meeting, as authorized by § 2.2-3712.A of the *Code of Virginia*, be adjourned and that the VBOA immediately reconvene in open public meeting. The members voting “**AYE**” were Mr. Samuel, Mr. Hunt, Dr. Broome, and Ms. Calderone. Ms. Brayboy left the closed session prior to completion.

Upon a motion by Ms. Calderone, and duly seconded, the VBOA made the following certification by roll call vote:

WHEREAS, the VBOA has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provision of the Virginia Freedom of Information Act; and WHEREAS, § 2.2-3712.A of the *Code of Virginia* requires a certification by this VBOA that such closed meeting was conducted in conformity with Virginia law; NOW THEREFORE, BE IT RESOLVED that the VBOA hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the VBOA.

**CALL FOR VOTE:**

Dian T. Calderone, MTX, CPA – Aye  
O. Whitfield Broome, Ph.D, CPA – Aye  
Lawrence D. Samuel, CPA – Aye  
Tyrone E. Dickerson, CPA – Not Present/No Vote  
Stephen D. Holton, CPA – Not Present/No Vote  
Regina P. Brayboy, MPA – Not Present/No Vote  
William E. Hunt, CPA – Aye

**VOTE**

AYES: Four (4)

NAYS: None.

ABSENT DURING VOTE: Mr. Dickerson, Ms. Brayboy, and Mr. Holton.

ABSENT DURING MEETING: None.

The following actions were taken as a result of the closed meeting.

**File Number UC05-2009 (Gray) (Dickerson & Holton)**

In the matter of **File Number UC05-2009** (Gray), Mr. Gray was not present nor represented by counsel:

Upon a motion by Mr. Hunt, and duly seconded, the Board by unanimous vote accepted the recommendations of the presiding officer. The members voting “**AYE**” were Ms. Calderone, Mr. Samuel, Dr. Broome, Mr. Hunt, and Ms. Brayboy.

**File Number DC03-2009 (Taylor) (Dickerson & Holton)**

In the matter of **File Number DC03-2009** (Taylor), Ms. Taylor was not present nor represented by counsel:

Upon a motion by Mr. Hunt, and duly seconded, the Board by unanimous vote amended the recommendations of the presiding officer.

**ADDITIONAL ITEMS FOR DISCUSSION**

Mr. Jewell led the discussion regarding general board business requiring consideration.

Upon a motion by Mr. Holton, and duly seconded, the Board by unanimous vote authorized the Executive Director to reply to the California Board of Accountancy's request.

Dr. James Flaggert, COO, Stratford University submitted a written request that the VBOA consider Stratford as an accredited University. Following a discussion it was determined that Mr. Jewell will contact Dr. Flaggert to request a copy of Stratford University's most recent accreditation report. Following a review of the report, VBOA will make its determination.

Mr. Warren Taylor requested that Mr. Jewell notify the members that the VBOA website incorrectly listed him as expired and he was unable to perform his services as a subcontractor to the Internal Revenue Service (IRS). Mr. Jewell will contact Mr. Taylor to advise the members have been notified per his request.

Dr. Broome led the discussion regarding VBOA representation at the NASBA Annual Meeting. Tyrone Dickerson, Vice Chairman will represent VBOA via scholarship. Mr. Jewell will secure the required approval and scholarship.

### **FUTURE MEETING DATES**

Friday, September 11, 2009 – 9a.m. (*please note change in start time*)

Tuesday, October 20, 2009 – 10a.m.

Tuesday, November 17, 2009 – 10a.m.

Tuesday, December 15, 2009 – 10a.m.

### **CONFLICT OF INTEREST FORMS/TRAVEL EXPENSE VOUCHERS**

Chairman Broome asked the members to complete and sign their conflict of interest forms and complete and sign their travel expense vouchers.

### **ADJOURNMENT**

There being no further business before the VBOA, upon a motion by Dr. Broome and duly seconded, the meeting was adjourned by unanimous vote at 3:08 p.m. The members voting “**AYE**” were Ms. Calderone, Mr. Samuel, Mr. Holton, Dr. Broome, Mr. Hunt, Ms. Brayboy, and Mr. Dickerson.

**APPROVED:**

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O. Whitfield Broome, Ph.D., CPA, Chairman

**COPY TESTE:**

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Wade A. Jewell, Executive Director